

## § 457.124

\$1.70 per pound. You are only able to harvest 100,000 pounds. Your indemnity would be calculated as follows:

(1) 100 acres × 1,200 pounds = 120,000 pound insurance guarantee;

(2 & 3) 120,000 pounds × \$1.70 price election = \$204,000 total value of insurance guarantee;

(4 & 5) 100,000 pounds production to count × \$1.70 price election = \$170,000 total value of production to count;

(6) \$204,000 total of value guarantee—\$170,000 total value of production to count = \$34,000 loss; and

(7) \$34,000 × 100 percent share = \$34,000 indemnity payment.

(c) The total production to count, specified in meat pounds, from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee per acre for acreage:

(A) That is abandoned;

(B) That is damaged solely by uninsured causes; or

(C) For which you fail to provide acceptable production records;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production; and

(iv) Potential production on insured acreage that you intend to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If you do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we will use the harvested production. If you do not continue to care for the crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

(2) All harvested meat pounds, including meat pounds damaged due to uninsured causes of loss.

### 12. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

[62 FR 25108, May 8, 1997, as amended at 62 FR 65170, Dec. 10, 1997; 65 FR 47838, Aug. 4, 2000; 72 FR 10909, Mar. 12, 2007]

## § 457.124 Raisin crop insurance provisions.

The raisin crop insurance provisions for the 1998 and succeeding crop years are as follows:

### FCIC Policies

## 7 CFR Ch. IV (1–1–10 Edition)

### DEPARTMENT OF AGRICULTURE

#### Federal Crop Insurance Corporation

#### *Reinsured Policies*

(Appropriate title for insurance provider)

Both FCIC and Reinsured Policies

#### *Raisin Crop Provisions*

If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

### 1. Definitions

*Crop year*—In lieu of the definition of “Crop year” contained in section 1 of the Basic Provisions (§457.8), the calendar year in which the raisins are placed on trays for drying.

*Delivered ton*—A ton of raisins delivered to a packer, processor, buyer or a reconditioner, before any adjustment for U. S. Grade B and better maturity standards, and after adjustments for moisture over 16 percent and substandard raisins over 5 percent.

*RAC*—The Raisin Administrative Committee, which operates under an order of the United States Department of Agriculture (USDA).

*Raisins*—The sun-dried fruit of varieties of grapes designated insurable by the actuarial documents. These grapes will be considered raisins for the purpose of this policy when laid on trays in the vineyard to dry.

*Reference maximum dollar amount*—The value per ton established by FCIC and shown in the actuarial documents.

*Substandard*—Raisins that fail to meet the requirements of U.S. Grade C, or layer (cluster) raisins with seeds that fail to meet the requirements of U.S. Grade B.

*Table grapes*—Grapes grown for commercial sale as fresh fruit on acreage where appropriate cultural practices were followed.

*Ton*—Two thousand (2,000) pounds avoirdupois.

*Tonnage report*—A report used to annually report, by unit, all the tons of raisins produced in the county in which you have a share.

### 2. Unit Division

(a) A basic unit, as defined in section 1 of the Basic Provisions, will be divided into additional basic units by grape variety.

(b) Provisions in the Basic Provisions that allow optional units by section, section equivalent, or FSA farm serial number and by irrigated and non-irrigated practices are not applicable. Optional units may be established only if each optional unit is located on

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non-contiguous land, unless otherwise allowed by written agreement.

### 3. Amounts of Insurance and Production Reporting

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§457.8):

(a) You may select only one coverage level percentage for all the raisins in the county insured under this policy.

(b) The amount of insurance for the unit will be determined by multiplying the insured tonnage by the reference maximum dollar amount, by the coverage level percentage you elect, and by your share.

(c) Insured tonnage is determined as follows:

(1) For units not damaged by rain—The delivered tons; or

(2) For units damaged by rain—By adding the delivered tons to any verified loss of production due to rain damage. When production from a portion of the acreage within a unit is removed from the vineyard and production from the remaining acreage is lost in the vineyard, the amount of production lost in the vineyard will be determined based on the number of tons of raisins produced on the acreage from which production was removed. When no production has been removed from the vineyard, the amount of production lost in the vineyard will be determined based on an appraisal.

(3) Insured tonnage will be adjusted as follows:

(i) The insured tonnage will be reduced 0.12 percent for each 0.10 percent of moisture in excess of 16.0 percent. For example, 10.0 tons of raisins containing 18.0 percent moisture will be reduced to 9.760 tons of raisins;

(ii) Insured tonnage used for dry edible fruit will be reduced by 0.10 percent for each 0.10 percent of substandard raisins in excess of 5.0 percent; and

(iii) When raisins contain moisture in excess of 24.3 percent at the time of delivery and are released for a use other than dry edible fruit (e.g. distillery material), they will be considered to contain 24.3 percent moisture.

(4) If any raisins are delivered, the moisture content will be determined at the time of delivery.

(d) Section 3(c) of the Basic Provisions is not applicable to this crop.

### 4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions (§457.8), the contract change date is April 30 preceding the cancellation date.

### 5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation and Termination) of the Basic Provisions (§457.8), the cancellation and termination dates are July 31.

### 6. Acreage Report and Tonnage Report

In lieu of the provisions contained in section 6 of the Basic Provisions (§457.8):

(a) You must report by unit, and on our form, the acreage on which you intend to produce raisins for the crop year. This acreage report must be submitted to us on or before the sales closing date, and contain the following information:

(1) All acreage of the crop (insurable and not insurable) in which you will have a share;

(2) Your anticipated share at the time coverage will begin;

(3) The variety; and

(4) The location of each vineyard.

(b) Acreage of the crop acquired after the acreage was reported, may be included on the acreage report if we agree to accept the additional acreage. Such additional acreage will not be added to the acreage report after you first place raisins from the additional acreage on trays for drying. Failure to report any acreage in which you have a share will result in denial of liability. If you elect not to produce raisins on any part of the acreage included on your acreage report, you must notify us in writing on or before September 21, and provide any records we may require to verify that raisins were not produced on that acreage.

(c) If you fail to file an acreage report in a timely manner, or if the information reported is incorrect, we may deny liability on any unit.

(d) In addition to the acreage report, you must annually submit a tonnage report, on our form, which includes by unit the number of delivered tons of raisins, and, if damage has occurred, the amount of any tonnage we determined was lost due to rain damage in the vineyard for each unit designated in the acreage report.

(e) The tonnage report must be submitted to us as soon as the information is available, but not later than March 1 of the year following the crop year. Indemnities may be determined on the basis of information you submitted on this report. If you do not submit this report by the reporting date, we may, at our option, either determine the insured tonnage and share by unit or we may deny liability on any unit. This report may be revised only upon our approval. Errors in reporting units may be corrected by us at any time we discover the error.

### 7. Annual Premium

In lieu of the premium computation method contained in section 7 (Annual Premium)

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of the Basic Provisions (§457.8), the annual premium amount is determined by multiplying the amount of insurance for the unit at the time insurance attaches by the premium rate and then multiplying that result by any applicable premium adjustment factors that may apply.

### 8. Insured Crop

(a) In accordance with section 8 (Insured Crop) of the Basic Provisions (§457.8), the crop insured will be all the raisins in the county of grape varieties for which a premium rate is provided by the actuarial documents and in which you have a share.

(b) In addition to the raisins not insurable under section 8 (Insured Crop) of the Basic Provisions (§457.8), we do not insure any raisins:

(1) Laid on trays after September 8 in vineyards with north-south rows in Merced or Stanislaus Counties, or after September 20 in all other counties;

(2) From table grape strippings; or

(3) From vines that received manual, mechanical, or chemical treatment to produce table grape sizing.

### 9. Insurance Period

In lieu of the provisions of section 11 (Insurance Period) of the Basic Provisions (§457.8), insurance attaches on each unit at the time the raisins are placed on trays for drying and ends the earlier of:

(a) October 20;

(b) The date the raisins are removed from the trays;

(c) The date the raisins are removed from the vineyard;

(d) Total destruction of all raisins on a unit;

(e) Final adjustment of a loss on a unit; or

(f) Abandonment of the raisins.

### 10. Causes of Loss

(a) In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions (§457.8), insurance is provided only against unavoidable loss of production resulting from rain that occurs during the insurance period and while the raisins are on trays or in rolls in the vineyard for drying.

(b) In addition to the causes of loss excluded in section 12 (Causes of Loss) of the Basic Provisions (§457.8), we will not insure against damage or loss of production due to inability to market the raisins for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of a person to accept production.

### 11. Reconditioning Requirements and Payment

(a) We may require you to recondition a representative sample of not more than 10 tons of damaged raisins to determine if they meet standards established by the RAC once reconditioned. If such standards are met, we may require you to recondition all the damaged production. If we determine that it is possible to recondition any damaged production and, if you do not do so, we will value the damaged production at the reference maximum dollar amount, except if your damaged production undergoes a USDA inspection and is stored by your packer with other producer's production to be reconditioned at a later date. If we agree, in writing, that it is not practical to recondition the damaged production, we will determine the number of tons meeting RAC standards that could be obtained if the production were reconditioned.

(b) If the representative sample of raisins that we require you to recondition does not meet RAC standards for marketable raisins after reconditioning, the reconditioning payment will be the actual cost you incur to recondition the sample, not to exceed an amount that is reasonable and customary for such reconditioning, regardless of the coverage level selected.

(c) A reconditioning payment, based on the actual (unadjusted) weight of the raisins, will be made if:

(1) Insured raisin production:

(i) Is damaged by rain within the insurance period;

(ii) Is reconditioned by washing with water and then drying;

(iii) Is insured at a coverage level greater than that applicable to the catastrophic risk protection plan of insurance; and either

(2) The damaged production undergoes an inspection by USDA and is found to contain mold, embedded sand, or other rain-caused contamination determined by micro-analysis in excess of standards established by the RAC, or is found to contain moisture in excess of 18 percent; or

(3) We give you consent to recondition the damaged production.

(d) Your request for consent to any wash-and-dry reconditioning must identify the acreage on which the production to be reconditioned was damaged in order to be eligible for a reconditioning payment.

(e) The reconditioning payment for raisins that meet RAC standards for marketable raisins after reconditioning will be the lesser of your actual cost for reconditioning or the amount determined by:

(1) Multiplying the greater of \$125.00 or the reconditioning dollar amount per ton contained in the Special Provisions by your coverage level;

(2) Multiplying the result of section 11(e)(1) by the actual number of tons of raisins (unadjusted weight) that are wash-and-dry reconditioned; and

(3) Multiplying the result of section 11(e)(2) by your share.

(f) Only one reconditioning payment will be made for any lot of raisins damaged during the crop year. Multiple reconditioning payments for the same production will not be made.

#### 12. Duties in the Event of Damage or Loss

(a) In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), the following will apply:

(1) If you intend to claim an indemnity on any unit, you must give us notice within 72 hours of the time the rain fell on the raisins. We may reject any claim for indemnity if such notice is later. You must provide us the following information when you give us this notice:

(i) The grape variety;

(ii) The location of the vineyard and number of acres; and

(iii) The number of vines from which the raisins were harvested.

(2) We will not pay any indemnity unless you:

(i) Authorize us in writing to obtain all relevant records from any raisin packer, raisin reconditioner, the RAC, or any other person who may have such records. If you fail to meet the requirements of this subsection, all insured production will be considered undamaged and valued at the reference maximum dollar value.

(ii) Upon our request, provide us with records of previous years' production and acreage. This information may be used to establish the amount of insured tonnage when insurable damage results in discarded production.

(b) In lieu of the provisions in section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8) that require you to submit a claim for indemnity not later than 60 days after the end of the insurance period, any claim for indemnity must be submitted to us not later than March 31 following the date for the end of the insurance period.

#### 13. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional unit, we will combine all optional units for which such production records were not provided; or

(2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the acreage from which raisins were removed for each unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured tonnage of raisins by the reference maximum dollar amount and your coverage level percentage;

(2) Subtracting from the total in section 13(b)(1) the total value of all insured damaged and undamaged raisins; and

(3) Multiplying the result of section 13(b)(2) by your share.

(c) For the purpose of determining the amount of indemnity, your share will not exceed the lesser of your share at the time insurance attaches or at the time of loss.

(d) Undamaged raisins or raisins damaged solely by uninsured causes will be valued at the reference maximum dollar amount.

(e) Raisins damaged partially by rain and partially by uninsured causes will be valued at the highest prices obtainable, adjusted for any reduction in value due to uninsured causes.

(f) Raisins that are damaged by rain, but that are reconditioned and meet RAC standards for raisins, will be valued at the reference maximum dollar amount.

(g) The value to count for any raisins produced on the unit that are damaged by rain and not removed from the vineyard will be the larger of the appraised salvage value or \$35.00 per ton, except that any raisins that are damaged and discarded from trays or are lost from trays scattered in the vineyard as part of normal handling will not be considered to have any value. You must box and deliver any raisins that can be removed from the vineyard.

(h) At our sole option, we may acquire all the rights and title to your share of any raisins damaged by rain. In such event, the raisins will be valued at zero in determining the amount of loss and we will have the right of ingress and egress to the extent necessary to take possession, care for, and remove such raisins.

(i) Raisins destroyed, put to another use without our consent, or abandoned will be valued at the reference maximum dollar amount.

#### 14. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

[62 FR 12070, Mar. 14, 1997, as amended at 62 FR 65170, Dec. 10, 1997]

#### § 457.125 Safflower crop insurance provisions.

The safflower crop insurance provisions for the 2003 and succeeding crop years are as follows:

FCIC Policies